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WASHINGTON, DC  
103

## ANNUAL AUDITED REPORT

~~FORM X-17A-5~~

## PART III

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

OMB APPROVAL	
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8-67635

REPORT FOR THE PERIOD BEGINNING 01/01/2008 AND ENDING 12/31/2008  
MM/DD/YY MM/DD/YY

## A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Spire Securities, LLC

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

12355 Sunrise Valley Drive #305  
(No. and Street)Reston  
(City)VA  
(State)20191  
(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

(Area Code - Telephone Number)

## B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Cocke, Szpantka & Taylor, CPA's PC  
(Name - if individual, state last, first, middle name)1800 Robert Fulton Dr Reston VA 20191  
(Address) (City) (State) (Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

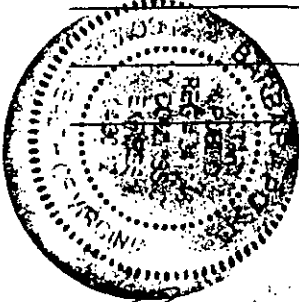
SEC 1410 (06-02)

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3/1/09

# OATH OR AFFIRMATION

I, Stuart Brautley, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Spire Securities, LLC, as of Dec 31, 2008, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



[Signature]  
Signature  
Corporate Controller  
Title

[Signature]  
Notary Public

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☒ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\* For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**AUDITED FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION**

**SPIRE SECURITIES, LLC**

**RESTON, VIRGINIA**

**December 31, 2008**

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# COCKE, SZPANKA & TAYLOR, CPAs, PC

CERTIFIED PUBLIC ACCOUNTANTS

## Independent Auditor's Report

SEC  
Mail Processing  
Section

FEB 27 2009

Board of Directors  
Spire Securities, LLC  
Reston, Virginia

Washington, DC  
103

We have audited the accompanying statement of financial condition of Spire Securities, LLC as of December 31, 2008, and the related statements of income, member's equity, and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Spire Securities, LLC as of December 31, 2008, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*Cocke, Szpanka & Taylor, CPAs, PC*

February 9, 2009

STATEMENT OF FINANCIAL CONDITION

SPIRE SECURITIES, LLC

December 31, 2008

ASSETS

CURRENT ASSETS

Cash	\$ 98,913
Funds held by clearing agent - Note C	40,066
Commissions receivable	175,788
Deposit held by FINRA	<u>3,201</u>
TOTAL CURRENT ASSETS	317,968

OTHER ASSETS

Deposit	50,000
Software license - net	17,500
Due from related party - Note E	<u>181,012</u>
	<u>248,512</u>
	<u>\$ 566,480</u>

LIABILITIES AND MEMBER'S EQUITY

CURRENT LIABILITIES

Commissions payable	\$ <u>140,239</u>
TOTAL CURRENT LIABILITIES	140,239

MEMBER'S EQUITY

<u>426,241</u>
<u>\$ 566,480</u>

See notes to financial information.

STATEMENT OF INCOME

SPIRE SECURITIES, LLC

Year Ended December 31, 2008

INCOME		
Revenue		\$ 2,278,638
EXPENSES		
Operating expenses		<u>2,191,230</u>
	OPERATING INCOME	<u>87,408</u>
NON-OPERATING INCOME		
Interest income		5,480
Interest expense		<u>( 2,051)</u>
		3,429
	NET INCOME	<u>\$ 90,837</u>

See notes to financial information.

STATEMENT OF MEMBER'S EQUITY

SPIRE SECURITIES, LLC

Year Ended December 31, 2008

BALANCE, DECEMBER 31, 2007	\$ 355,404
Net income for the year	90,837
Less: distributions to member	<u>( 20,000)</u>
BALANCE, DECEMBER 31, 2008	<u>\$ 426,241</u>

See notes to financial information.



# STATEMENT OF CASH FLOWS

## SPIRE SECURITIES, LLC

December 31, 2008

### CASH FLOWS FROM OPERATING ACTIVITIES

Net income	\$ 90,837
Amortization	10,000
Effect of changes in income and expense accruals:	
Commissions and clearing receivable	( 4,444)
Prepaid expenses	47,910
Deposit held by FINRA	1,478
Accounts payable	125,625
Commission payable	( 158,680)
NET CASH PROVIDED BY OPERATING ACTIVITIES	112,726

### CASH FLOWS FROM INVESTING ACTIVITIES

Due from related party	( 218,895)
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### CASH FLOWS FROM FINANCING ACTIVITIES

Principal payments on installment note payable	( 21,714)
Member's distribution	( 20,000)
	( 41,714)
NET DECREASE IN CASH	( 147,833)

Cash, beginning of year	<u>246,796</u>
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CASH, END OF YEAR \$ 98,913

### Supplemental disclosures of cash flow information:

Cash paid for interest	\$ 2,051
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See notes to financial information.

## NOTES TO FINANCIAL STATEMENTS

### SPIRE SECURITIES, LLC

December 31, 2008

#### NOTE A - SIGNIFICANT ACCOUNTING POLICIES

Spire Securities, LLC (the Company), a wholly owned subsidiary of Spire Investment Partners, LLC (the Parent), is a securities brokerage firm providing securities brokerage and trading services to both individuals and institutional entities and also provides regulatory oversight to registered representatives for their investment advisory services. The Company does not have custody of client accounts or hold securities. Securities are held by third parties, and transactions are cleared through a clearing organization, National Financial Services, LLC (NFS), and its direct placement partners.

The Company qualifies under Rule 15c3-3(k)(2)(ii) from the Securities and Exchange Commission Customer Protection Rule (Rule 15c3-3). Accordingly, the supplemental schedule of Information Relating to Possession or Control Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 is not applicable.

The Company uses accrual basis accounting for financial statement purposes, recognizing income when earned and expenses when incurred. A consolidated income tax return is filed with the Parent.

Cash, as used in the accompanying financial statements, includes currency on hand, demand deposits with financial institutions and short-term, highly liquid investments purchased with a maturity of three months or less.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Company records commission revenue when received rather than when earned. The commission revenue will fluctuate depending upon the volume of trades. Total commission revenue for the year ended December 31, 2008 was \$1,997,129.

Software is carried at cost less accumulated amortization computed on the straight-line method of amortization over 3 years. Amortization expense for the year ended December 31, 2008 totaled \$10,000.

#### NOTE B - INCOME TAXES

No provision for income taxes has been provided in these statements, as the Parent, by agreement, is responsible for any tax liability of the consolidated group. The Parent has elected, under the Internal Revenue Code, to be taxed as a Partnership. Accordingly, no provision has been made for Federal and State income taxes on income recognized.

## NOTES TO FINANCIAL STATEMENTS

### SPIRE SECURITIES, LLC

December 31, 2008

#### NOTE C - FUNDS HELD BY CLEARING AGENT

The Company has entered into a clearing agreement with National Financial Services, LLC (NFS) as the clearing agent. The agreement is in effect until October 2012, and thereafter may be renewed annually. Either party may terminate the agreement with 90 days written notice, NFS requires the Company to maintain net capital of \$100,000 and escrow deposit of \$50,000, subject to change at the discretion of NFS. Funds held by NFS totaled \$40,067 at December 31, 2008.

#### NOTE D - LIABILITIES SUBORDINATED TO GENERAL CREDITORS

The Company had no liabilities that were subordinated to general creditors at December 31, 2008.

#### NOTE E - RELATED PARTY TRANSACTIONS

Spire Securities, LLC, a sister company, is paid management fees for providing all management services to the Company. The current method of determining management fees is based on 90% of the Spire Securities, LLC's operating profits before the calculation of the management fee. As a result of transactions and short-term loans between these related entities, Spire Wealth Management, LLC owed the Company \$181,012 as of December 31, 2008.

Spire Securities, LLC and Spire Wealth Management, LLC are wholly owned subsidiaries of Spire Investment Partners, LLC.

#### NOTE F - OFFICE LEASE

The Company occupies space that is leased by the sister company. It pays its pro-rata share of the sister company's lease expense as part of its monthly payment for office services. The rent component of office services expense for the year ended December 31, 2008 was \$42,000.

#### NOTE G - NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 10 to 1. Subparagraph (2) of rule 15c3-1 further requires all brokers not generally carrying customers' accounts to maintain net capital of not less than \$50,000 or one-fifteenth of the Company's aggregate indebtedness, whichever is greater.

## NOTES TO FINANCIAL STATEMENTS

### SPIRE SECURITIES, LLC

December 31, 2008

#### NOTE G - NET CAPITAL REQUIREMENTS (continued)

The Company's aggregate indebtedness to net capital ratio was 0.62 to 1. At December 31, 2008, the Company had net capital of \$224,528, which was \$174,528 in excess of its required net capital of \$50,000.

#### NOTE H - CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Company to concentrations of credit risk consist of the receivable from clearing organization and cash and cash equivalents. The Company grants credit terms in the normal course of business to its clearing brokers for payment of commissions for customer trades. As part of its ongoing procedures, the Company monitors the credit worthiness of its clearing broker.

The Company maintains cash in bank deposit accounts that, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. Management believes the Company is not exposed to any significant risk related to cash.

#### NOTE I - FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company has a number of financial instruments. The fair value of all financial instruments does not differ materially from their related aggregate carrying values recorded in the accompanying statement of financial condition at December 31, 2008.

Cash and cash equivalents, commissions receivable, and debt are carried at cost, which approximates fair value.

**OTHER FINANCIAL INFORMATION**

**SPIRE SECURITIES, LLC**

**RESTON, VIRGINIA**

**December 31, 2008**



**COCKE, SZPANKA & TAYLOR, CPAs, PC**

**CERTIFIED PUBLIC ACCOUNTANTS**

**Independent Auditor's Report on Other Financial Information Required by SEC Rule 17a-5**

Board of Directors  
Spire Securities, LLC  
Reston, Virginia

We have audited the accompanying financial statements of Spire Securities, LLC as of and for the year ended December 31, 2008 and have issued our report thereon dated February 9, 2009. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements but is supplementary information required by rule 17a-5 of the Securities and Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Cocke, Szpanka & Taylor, CPAs, PC*

February 9, 2009

COMPUTATION OF NET CAPITAL

SPIRE SECURITIES, LLC

December 31, 2008

Total stockholder's equity	\$ 426,241
Deduct: non-allowable assets	( <u>201,713</u> )
NET CAPITAL	<u>\$ 224,528</u>

See auditor's report on other financial information.

**NET CAPITAL RECONCILIATION**

**SPIRE SECURITIES, LLC**

**December 31, 2008**

In accordance with Rule 17A-5(d)(4), we are reporting the following material differences that we found when comparing our report on the computation of net capital under Rule 15c3-1 with the focus report as filed by Spire Securities, LLC for the year ended December 31, 2008.

**DIFFERENCES WITH FOCUS REPORT    \$ 0**

See auditor's report on other financial information.





# COCKE, SZPANKA & TAYLOR, CPAs, PC

CERTIFIED PUBLIC ACCOUNTANTS

## Independent Auditor's Report on Internal Accounting Control Required by SEC Rule 17a-5

Board of Directors  
Spire Securities, LLC  
Reston, Virginia

In planning and performing our audit of the financial statements of Spire Securities, LLC (the Company) as of and for the year ended December 31, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making the quarterly securities examinations, counts, verifications and comparisons, recordation of differences required by rule 17a-13.
2. Complying with the requirements for prompt payment for securities under section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2008 to meet the SEC's objectives.

This report is intended solely for the information and use of management, the Securities and Exchange Commission, the New York Stock Exchange and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

*Cocke, Szpanka & Taylor, CPAs, PC*

February 9, 2009



**COCKE, SZPANKA & TAYLOR, CPAs, PC**

CERTIFIED PUBLIC ACCOUNTANTS

END